

Angela
James

Fundraising from institutions

Angela James

How To guide

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Why apply?

Donor funds are under intense pressure and receive applications from many more civil society organisations than they are able to fund.

When you have identified your project and are ready to look for funding, you will want to present it to the most appropriate donor in the most effective way.

This guide gives you the essential information about institutional donors who operate a two stage application process.

Who are the institutional donors?

Institutional donors are either government or other large-scale development agencies with high value, multi-annual funds.

This guide looks at donors to UK-based civil society organisations (CSOs), including the UK government Department for International Development (DFID), the European Union, Comic Relief and the Big Lottery Fund.

Why do they fund CSOs?

For multilateral and bilateral organisations, like DFID and the EU, CSOs can fulfil a complementary role to government to government assistance.

DFID

The Conservative-Liberal Democrat Coalition's programme for government says it will use the aid budget to support:

- actions to achieve the Millennium Development Goals
- the development of local democratic institutions, civil society groups, the media and enterprise
- efforts to tackle corruption

DFID funding to CSOs

In 2008/2009 total spending through UK CSOs was £337 million.

The EU

The EU sees the added value of CSOs as:

- good knowledge of local context
- an alternative partner in difficult relationships
- able to respond quickly and cost-effectively in emergency situations
- able to address sensitive areas such as HIV/AIDS, human rights and gender
- able to fill the gap when the state is absent

EC funding to CSOs

Between 2000 and 2006, €5.3 billion of aid was channelled through CSOs, according to the 2009 EuropeAid Evaluation of EU Aid.

Comic Relief

Comic Relief is itself an NGO which has been raising funds since 1988 to help the poorest and most vulnerable, both in the UK and in Africa.

Comic Relief funding to CSOs

In 2008-2009, Comic Relief spent £13 million on its international grants programme, through a wide range of CSOs.

Big Lottery Fund (BIG)

The Big Lottery is a government appointed body responsible for distributing funds raised by the National Lottery for good causes, including an international grants programme tackling the needs of the most disadvantaged communities in developing countries.

Big Lottery funding to CSOs

The Big Lottery's International Programme 2006-2009 made £72 million available for the work of UK-based organisations in developing countries.

What does DFID fund?

Global Poverty Action Fund (GPAF)

Brand new fund opened in October 2010 for projects focused on service delivery in support of poverty reduction and the most off-track MDGs in poor countries. Will replace CSCF as a main channel of support to small and medium sized UK-based CSOs.

- See boxes on page 4

Civil Society Challenge Fund (CSCF)

Now closed to new applicants.

- See box opposite

Partnership Programme Arrangements (PPAs)

Awarded through an open, competitive process, a PPA provides unrestricted funding to key CSO partners, linked to a set of agreed strategic level indicators. The current round of PPAs runs from 2011-14.

Common Ground Initiative

A £20 million fund supporting African development through UK based small and Diaspora organisations. Administered through Comic Relief.

- See page 7

Humanitarian Response Funding

Funds allocated in response to specific humanitarian emergencies through CSOs, the UN and the Red Cross organisations.

Funding from DFID country offices

Decided on and distributed in country.

CSCF at a glance

- Grants of up to £500,000 depending on CSO size and capacity
- Projects can last up to five years
- Willing to consider 100% funding
- One funding round per year, window normally opens in April with 31 May deadline for first stage
- Highly competitive, 32 projects funded from 2009 round
- Average total grant size £429,500

How to apply

Two stage application process:

- A six page concept note and first column of a logical framework
- If selected, a ten page full proposal, full logical framework and budget

What to apply for

All projects must:

- support UK CSOs to build the capacity of their partners in the South
- be rights-based – empowering poor people to participate and engage in local, regional, national and international issues which impact on them
- have an element that builds support for development in the UK

Who can apply

Applicants must have:

- the skills and experience to manage the project
- an established partnership with an independently registered CSO in the country of implementation. There must be added value in this relationship, ie not just a channel for funds

GPAF at a glance: Innovation window

- Grants of up to £250,000 for projects lasting up to three years
- No match funding needed
- Total available annually £4 million
- Two funding rounds per year

How to apply

One stage application process:

- Ten page format plus annexes
- Fully completed DFID Logical Framework Template
- Full budget
- CV of lead person for project

What to apply for

- Small scale service delivery with potential to scale up
- Ground-breaking work encouraged

Where projects can be set up

- Countries in the bottom 50 of the 2009 or 2010 UN Human Development Index
- DFID focus countries (where DFID has an office)
- May change in future funding rounds following the findings of DFID's Bilateral Aid review

Who can apply

- Small UK-based CSOs (average income less than £500,000)

When to apply

- Keep watching DFID and Bond websites for information on funding rounds and deadlines
- Join the Bond Funding Working Group for updates
- See links on pages 9 and 10

GPAF at a glance: Impact window

- Grants between £250,000-£4 million for projects lasting up to 3 years
- CSO to provide at least 25% match funding, the more the better
- Total available annually £36 million
- One funding round per year

How to apply

Two stage application process:

- Six page concept note
- First two columns and activity log of the DFID Logical Framework Template

What to apply for

- Poverty reduction delivering real benefits for poor people
- Off-track MDGs are the priority

Where projects can be set up

- Countries in the bottom 50 of the 2009 or 2010 UN Human Development Index
- DFID focus countries (where DFID has an office)
- May change in future funding rounds following the findings of DFID's Bilateral Aid review

Who can apply

Applicants must have:

- Medium sized UK based CSOs (not defined but not recipients of PPA)
- Locally registered CSOs in countries where DFID has a country office

When to apply

- As for Innovation window

What does the EC fund?

The EU funds international development through the European Commission, mainly through its EuropeAid office. The EC has a range of different funding instruments (its term for funding mechanisms).

EC Horizontal (thematic) Funding Instruments

European Instrument for Democracy and Human Rights (EIDHR)

Frequently used by CSOs, as it has a range of opportunities, including Country Based Support Programmes (CBSS) for Human Rights work.

Instrument for Stability

Crisis response and prevention.
Limited opportunities for CSOs.

European Humanitarian Aid Instrument (ECHO)

CSOs negotiate an ECHO partnership agreement enabling them to rapidly apply for funds when emergencies arise. DIPECHO is a fund for Disaster Preparedness, open to CSOs.

EC Food Facility

From 2009 to 2011, for rapid response to combat rising food prices in 50 priority countries.

EC Geographic Funding Instruments

The Pre-Accession Instrument (IPA)

Financial assistance to official and potential candidate countries wishing to join the EU. Mostly disbursed

through government, but there are limited opportunities for CSOs.

European Neighbourhood & Partnership Instrument (ENPI)

Funds for the EU's near neighbours and borders. 90% of these funds are disbursed bilaterally through government.

European Development Fund (EDF)

The bedrock of EU cooperation with 79 African, Caribbean and Pacific (ACP) countries, based on the Cotonou Agreement. It works in five year rounds, currently the 10th EDF which entered into force in January 2008. Funding priorities per country are defined in Country Strategy Papers and National Indicative Programmes. There are limited opportunities for CSOs as funding is basically EU to government.

Development Cooperation Instrument (DCI)

Funding to governments in Latin America, the Middle East, Asia, Central Asia and South Africa. Most importantly it also covers the five thematic programmes through which CSOs tend to get most of their EC funding:

- Non-State Actors and Local Authorities (NSA LA) in development - focus on civil society actors and actions
- Food Security – development of food security (food aid comes under humanitarian aid)
- Investing in People – includes health, education, gender, children's rights, culture, and employment
- Environment and sustainable management of natural resources
- Migration and asylum

EC funding at a glance

The EC awards grants through the Call for Proposals system – a competitive submission procedure.

For information on Calls for Proposals see the EuropeAid tender webpage, and for country specific calls see the website of the EU delegation as well.

See page 9

When to apply

Calls for Proposals can be published at any time of the year.

It is possible to get some advance warning on the publication of Calls for Proposals for Thematic Programmes from the link on the right hand side of the EuropeAid funding webpage.

See page 9

What to apply for

The Guidelines to each Call for Proposals will give the basic information on thematic criteria, size of grant, how long projects can last, who can apply and partnership arrangements. It is impossible to generalise.

How much to apply for

The EC (with rare exceptions) does not fund 100% of a project.

Percentages of match funding required for co-financing vary, although generally the EC will fund at least 75% of a budget and often more.

10% of funding is always held back until the final report and audit have been approved.

How to apply

Two step process (known as a Restricted Call)

- a four page concept note
- full proposal, budget and logical framework

The EC says that it tries where possible to issue Restricted Calls.

One step process (known as an Open Call)

- All documentation required in one go – concept note, full proposal, budget and logical framework

PADOR

On-line registration system for potential applicants. All applicants must be registered on PADOR before they submit a proposal. Partners must also eventually be registered.

See page 9

Who can apply

- As an applicant, you must have a track record of at least three years experience in the field/sector for which you are applying. At full proposal stage, you will be expected to prove this with summary examples of projects you have implemented which are similar to the one you are proposing
- EU-based CSOs are usually (with exceptions) expected to work with partners in-country
- Almost all EC funding mechanisms are open to applications BOTH from EU-based organisations and from the countries of implementation

What does Comic Relief fund?

The 2009-2012 round of international grant funding is channelled through seven programmes with three additional programmes through the Common Ground Initiative.

Applicants should select one programme only. Use the Comic Relief website to read the full strategy and guidelines for the programme you select to ensure your project fits.

- ? Trade
- ! People affected by HIV and AIDS
- ? People affected by conflict
- Street and working children and young people
- ! People living in urban slums
- ! Women and girls
- Sport for Change
- ! Common Ground Initiative for small and Diaspora organisations
 - Health
 - Education
 - Enterprise

Nearly all funding is specific to Africa.

- ? = mainly in Africa
- ! = only in Africa

Equal opportunities and diversity should be a strong principle in your project.

Comic Relief at a glance

- Grants are made to UK registered charities
- Grants are generally between three and five years long
- Small grants for project research and development are usually for between three months and a year
- Project grants up to £1 million
- Research and Development grants usually up to £25,000

Common Ground Initiative

- Only for CSOs who have an annual income of less than £1 million or Diaspora organisations of any size
- Project grants up to £1 million
- Research and Development grants up to £25,000
- Organisational Development grants up to £40,000 over three years

How to apply

Two step process using the Comic Relief on-line application procedure

- summary application including budget information
- full proposal and budget

How much to apply for

Comic Relief will consider 100% in justified circumstances but expects CSOs to provide some match funding.

When to apply

Check the Comic Relief website for the dates and deadlines for each funding cycle, which can be subject to change.

What does BIG fund?

In September 2010, BIG announced a new International Communities programme to help disadvantaged communities overseas. This will run from 2010-2015, with a budget of £25 million for projects up to March 2012.

BIG wants to fund projects that tackle the causes of poverty and deprivation and bring about a long-term difference to the lives of some of the most disadvantaged people in the world in the areas of:

- Primary education
- Health
- Access to land and use of natural resources
- Human rights
- Sustainable livelihoods for both rural and urban communities

Addressing more than one of these outcomes will not give your project priority.

BIG at a glance

- Project grants will be between £50,000 - £500,000
- Projects can last from two to five years
- Will support some capital costs, up to £50,000, but these should not be a major part of the project
- You can apply for up to £10,000 as 'development' funds at stage one to help with preparation of a business plan

How to apply

Two step process using the Big Lottery application form available from their website. Read their guide carefully before you start.

- Stage one application form (includes budget pages)
- Stage two application form and business plan

What to apply for

All projects must address a number of cross-cutting themes:

- Diversity
- Participation
- Influencing opinion
- Capacity building and building alliances
- Collaboration and networking

Where projects can take place

- Africa
- Asia
- The Middle East
- Central and South America
- The Caribbean
- Parts of Eastern Europe

Projects that work in more than one country are eligible.

How much to apply for

BIG will consider 100% funding but encourages applicants to provide some match funding.

Who can apply

NGOs and other voluntary and community sector organisations (including social enterprises) who are UK-based and work with independent, local partners overseas

When to apply

You can apply at any time until 31 March 2014.

Before you start

Writing a good funding proposal is partly about assembling all the information required, and partly about presenting it a convincing way.

Requirements

- Check the donor's criteria for their fund and show how your project fits. Such is the competition for funds that there is no point in submitting a project, however worthy, if it is not quite what is required by the donor.
- Both DFID and the EC require a logical framework matrix to be filled out as part of the full proposal. These techniques can also help with defining project outcomes as required by Comic Relief and BIG.
- Find out the criteria by which the donor will evaluate your project. They can often give clues as to how to present your project information in the best way.

Capacity

- Look at the minimum and maximum funding available. Do you have the management, financial and administrative capacity to manage such a grant? The donor will look at the annual turnover of your organisation and the size of grant you are requesting.
- Can you find match funding and, in the case of the EC, do you have the capacity to advance 10% of the grant from your own funds?
- Look at the formats or requirements for proposal submission. Institutional donors expect a high standard of project planning and, at full proposal stage, a high level of detail. Do you have the capacity to prepare a complex funding proposal? Do your partners?

Partnership

- Do you have a partnership with one or more independently established CSOs in the countries in which you will implement the project?
- Is this an equitable relationship based on shared project design, management, learning, monitoring and evaluation?

Donor websites

DFID

<http://www.dfid.gov.uk/Working-with-DFID/Funding-opportunities/Not-for-profit-organisations/>

EC

http://ec.europa.eu/europeaid/work/funding/index_en.htm

PADOR

http://ec.europa.eu/europeaid/work/online-services/pador/index_en.htm

Comic Relief

<http://www.comicrelief.com/apply-for-a-grant/apply-for-an-international-grant>

BIG

http://www.biglotteryfund.org.uk/prog_international_communities

Find out more from Bond

Training courses

This guide will put you on the right path, but to really get to grips with the subject you need to attend:

- ***Fundraising from institutions: writing winning proposals*** with Angela James

This course is part of Bond's regular open programme of short training courses, which also includes:

- ***Introduction to EC funding*** with Angela James
- ***NEW: Putting together an EC project proposal*** with Angela James
- ***Managing EC contracts and reporting on EC grants*** with Angela James
- ***Project budgeting essentials*** with John Cammack
- ***Project planning using a logical framework approach*** with Greta Jensen

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More How To guides

- ***Advocacy and campaigning*** by Ian Chandler
- ***Fundraising from trusts, foundations and companies*** by Bill Bruty
- ***Project budgeting*** by John Cammack
- ***The logical framework approach*** by Greta Jensen
- ***Monitoring and evaluation*** by Louisa Gosling

bond.org.uk/learning-resources



Written by Angela James

Angela runs the EC Funding Advice Line for Bond members and works freelance with NGOs in the UK, Europe and developing countries as a trainer and funding adviser. Angela runs Bond training courses on institutional and EC fundraising and finance.

Edited and designed by Sue Clarke, Bond Training and Events Officer

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